

TRANSMISSION FACILITIES OPTION AND EASEMENT

KNOW ALL MEN BY THESE PRESENTS, that Johnny J. Mitchell and wife, Lori Ann Mitchell, whose address is 3341 Stanton Road, Southaven, Mississippi 38671, (hereinafter referred to as "Grantor", whether one or more), for ELEVEN THOUSAND NINE HUNDRED EIGHT AND 75/100 DOLLARS (\$11,908.75) (the "Initial Option Payment") and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, hereby grants, bargains, sells, transfers, assigns, conveys and warrants unto and defends Duke Energy Southaven, LLC, a Delaware limited liability company having an office at 5400 Westheimer Court, Houston, Texas 77056, its successors and assigns, (hereafter referred to as "Grantee"), a right-of-way, servitude and easement 230 feet in width (the "Easement Area") for the location, relocation, improvements, repair, construction, reconstruction, operation, inspection, patrol, replacement, now or in the future, including, but not necessarily limited to, poles, towers, cross arms, insulators, wires, cables, conduits, hardware, transformers, switches, guy wires, anchors and other equipment, structures, material and appurtenances, now or hereafter used, useful or desired in connection therewith by Grantee (hereinafter "Grantee's Facilities") over, across, under or on that land of Grantor in the County of DeSoto, State of Mississippi consisting of approximately 13.61 acres, said land being the same tract of land described in deed dated June 3, 1994, recorded in Deed Book 271, Page 688 of the Deed Records of DeSoto County, Mississippi and as more particularly shown on Exhibit A attached hereto and made a part hereof for all purposes ("Grantor's Land").

Grantee may file a memorandum of Transmission Facilities Option and Easement reflecting the option granted herein, which shall be executed concurrently herewith.

The location of the Easement Area is currently contemplated in the approximate location further indicated on Exhibit B attached hereto. However, the Grantee shall have the right to select, change, or alter the location of the Easement Area up until the construction of the Grantee's Facilities. After finalization of the route of the Grantee's Facilities, the Grantee shall at its sole cost and expense obtain a survey consisting of a plat and field location of the perimeter boundaries of the Easement Area (the "Survey"). Grantee shall use reasonable efforts to reduce the Easement Area to 200 feet in width where good wetlands, environmental and engineering practices permit.

Grantee may pursuant to this Transmission Facilities Option and Easement, on or before April 1, 2002, notify Grantor of its intention to construct Grantee's Facilities in the Easement Area. If Grantee notifies Grantor of its intention to construct Grantee's Facilities on or prior to April 1, 2001, Grantee shall pay to Grantor SEVENTEEN THOUSAND FIVE HUNDRED AND NO/100 DOLLARS (\$17,500) per acre (as determined by the Survey) for the Easement Area, (the "Option Price"), less the Initial Option Payment, prior to the commencement of construction of Grantee's Facilities on the Easement Area. If Grantee has not notified Grantor of its intent to construct Grantee's Facilities on or prior to April 1, 2001, Grantee may elect to keep the option granted hereunder in effect until April 1, 2002 by delivering to Grantor ELEVEN THOUSAND NINE HUNDRED EIGHT AND 75/100 DOLLARS (\$11,908.75) on or prior to April 1, 2001 (the "Second Option Payment"). If Grantee notifies Grantor of its intention to construct Grantee's Facilities after April 1, 2001 and on or prior to April 1, 2002, Grantee shall pay to Grantor the Option Price, less the Initial Option Payment and the Second Option Payment, prior to the commencement of construction of the Grantee's Facilities on the Easement Area. For purposes of this Transmission Facilities Option and Easement, notification to Grantor, or tender of payment to Grantor, may be deemed as accomplished upon the mailing of same to Grantor via First Class U.S. mail. Upon payment of the Option Price, Grantee shall record this Transmission Facilities Option and Easement, which shall include as a replacement Exhibit B the legal description of the Easement Area contained in the Survey. STATE MS. - DESOTO CO.

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Should Grantee fail to notify Grantor on or before April 1, 2002 of its intention to construct the Grantee's Facilities and to tender the Option Price, this Transmission Facilities Option and Easement shall be deemed null and void, Grantee shall retain the Initial Option Payment and the Second Option Payment, if applicable, and all rights granted hereunder shall be terminated.

Grantor hereby grants to Grantee and its agents the rights of ingress and egress at any time, without notice, to, from, or along said Easement Area across the adjoining land of the Grantor, including, but not limited to, the passage of vehicles and equipment upon said Easement Area; the right to install, extend and maintain guy wires and anchors beyond the limits of said right-of-way; and the right of Grantee to assign, license, and otherwise permit others to use in whole or part any or all of the rights, easements, servitudes, privileges or appurtenances granted herein. In exercising such rights of ingress and egress Grantee may, should it so choose, utilize Grantors' roads upon the Grantor's Land.

Grantee shall have the full and continuing right, without further compensation, to clear and keep clear vegetation within or growing into said Easement Area and the further right to remove or modify from time to time trees, limbs and/or vegetation on Grantor's Lands outside the said Easement Area, which Grantee considers a hazard to any of Grantee's Facilities or a hazard to the rendering of adequate and dependable service to any of Grantee's customers, by use of a variety of methods used in the vegetation management industry. As used in this paragraph, "hazard" includes any trees, limbs, and/or vegetation that Grantee determines are tall enough that if they fell may strike, hit, or come in contact with any of Grantor's Facilities. Payment for the first cutting of trees, limbs, and other vegetation outside of the Easement Area is included in the Initial Option Payment paid to Grantor. Grantee shall pay to Grantor, or Grantor's successor in title, the reasonable market value, as timber, of such trees when removed in the future outside of the Easement Area.

Grantee shall pay Grantor for physical damages to Grantor's buildings or other structures located outside the Easement Area and to Grantor's growing annual crops, road, bridges and fences caused by the construction and maintenance of Grantee's Facilities.

Grantor retains the right to use for Grantor's own purposes the land covered by the Easement Area so long as such use does not interfere with Grantee's use of the Easement Area and other rights herein granted.

Grantor shall not construct or permit the construction of any structure, obstruction or other hazard within the Easement Area, including but not limited to, house, barn, garage, shed, pond, pool, water impoundment, excavation or well, excepting only Grantor's fence(s) and Grantee's Facilities. Grantee may, at Grantee's option and with no additional compensation to Grantor, upon notice to Grantors, remove any such structures, obstructions or hazards that shall hereafter constitute any such interference with the Grantee's Facilities, or appurtenances thereto. Grantor shall not construct or permit the construction of any buildings or other structures on Grantor's Land adjoining the Easement Area in violation of the minimum clearances from the lines and facilities of Grantee, as provided in the National Electric Safety Code.

This Transmission Facilities Option and Easement shall be binding upon the heirs, executors, administrators, successors, and assigns of the parties hereto, and all rights herein granted, or any of them separately, may be released or assigned in whole or in part. This Transmission Facilities Option and Easement supersedes all prior discussions and agreements between the parties with respect to the subject matter hereof and contains the sole and entire agreement between the parties with respect to the subject matter hereof. It is understood that this Transmission Facilities Option and Easement cannot be amended in any way except in writing, signed by the Grantor and a duly authorized agent of the Grantee. Grantor recognizes and stipulates that the individual procuring this Transmission Facilities Option and Easement for Grantee has no authority to make any promises or agreements other than those embodied herein. Grantor

IN WITNESS WHEREOF, the Grantee has executed this Transmission Facilities Option and Easement this 2nd day of May, 2000.

WITNESSES:

GRANTEE:

Duke Energy Southaven, LLC

By: Amy H. Donley
Name: Amy H. Donley

By: [Signature]
Name: Larry A. Wall, Jr.
Title: Vice President

moc-AND

By: [Signature]
Name: Cherise C. Aguilar

Grantee's address:

5400 Westheimer Court
Houston, Texas 77056-5310

ACKNOWLEDGEMENT

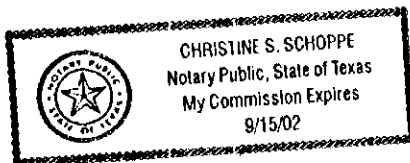
STATE OF TEXAS

COUNTY OF HARRIS

Personally appeared before me, the undersigned authority in and for the said county and state, on this day 2nd of May, 2000, within my jurisdiction, the within named Larry A. Wall, duly identified before me, who acknowledged that he/she is Vice President of Duke Energy Southaven, LLC, a Delaware limited liability company, and that for and on behalf of said limited liability company and as its act and deed, he executed the above and foregoing instrument of writing, after first having been duly authorized by said limited liability company so to do.

Commission Expires: 9/15/02

[Signature]
NOTARY PUBLIC



CONSENT AND SUBORDINATION

W.G. Stanton, Jr. and wife, Dorothy T. Stanton, the owner and holder of a lien or liens covering Grantor's Land has executed this instrument to evidence its (i) consent to Grantor's execution of this instrument, (ii) agreement to subordinate its lien or liens to the provisions of this instrument with the same effect as if this instrument had been executed, delivered and recorded prior to the execution and recording of the agreement(s) creating the lien or liens, and (iii) agreement that notwithstanding any foreclosure pursuant to the terms of any agreement(s) creating the lien or liens, this instrument shall continue unabated and in full force and effect.

W.G. Stanton, Jr.
 W.G. Stanton, Jr.
 Date: 7-17-00

Dorothy T. Stanton
 Dorothy T. Stanton
 Date: 7-17-00

ACKNOWLEDGEMENT

STATE OF South Carolina

COUNTY OF Horry

Personally appeared before me, the undersigned authority in and for the said county and state, on this day 17th of July, 2000, within my jurisdiction, the within named W. G. Stanton, Jr. and Dorothy T. Stanton, duly identified before me, who acknowledged that they executed the above and foregoing instrument of writing.

Commission Expires: 7-9-2008

Paul D. Bell
 NOTARY PUBLIC



INDEXING INFORMATION: SE ¼ of Section 21, Township 1 South, Range 8 West

Prepared By: Duke Energy Southaven, LLC
 Name: Madeline Coblenz
 Address: 5400 Westheimer Court, Houston, TX 77056
 Telephone: (713) 627-5222

EXHIBIT "B"

A TRACT OF LAND SITUATED IN THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER, AND IN THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER AND IN THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 21, TOWNSHIP 1 SOUTH, RANGE 8 WEST, DESOTO COUNTY, MISSISSIPPI AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A FOUND NAIL AT THE NORTHEAST CORNER OF SAID SOUTHEAST QUARTER OF SECTION 21, TOWNSHIP 1 SOUTH, RANGE 8 WEST, SAID POINT OF COMMENCEMENT BEING IN THE INTERSECTION OF THE PHYSICAL CENTERLINE OF STANTON ROAD SOUTH, ALSO KNOWN AS PATTI ROAD (PUBLIC, PAVED ROAD - WIDTH VARIES) AND THE PHYSICAL CENTERLINE OF TULANE ROAD (PUBLIC, PAVED ROAD - 80 FEET WIDE); THENCE SOUTH 00 DEGREES 15 MINUTES 50 SECONDS WEST ALONG THE EAST LINE OF SAID SECTION 21 A DISTANCE OF 2587.57 FEET TO THE SOUTHEAST CORNER OF SAID SECTION 21, SAID CORNER LYING IN THE NORTHERLY LINE OF THE CITY OF HORN LAKE, MISSISSIPPI PROPERTY (BOOK 241 - PAGE 448), SAID NORTHERLY LINE BEING THE SOUTH LINE OF SAID SECTION 21; THENCE SOUTH 89 DEGREES 16 MINUTES 30 SECONDS WEST ALONG THE SAID SOUTH LINE OF SECTION 21 AND ALONG THE NORTHERLY LINE OF SAID CITY OF HORN LAKE PROPERTY - 660.20 FEET TO THE SOUTHEAST CORNER OF SAID JOHNNY MITCHELL PROPERTY AND THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE NORTH 50 DEGREES 36 MINUTES 14 SECONDS WEST (LEAVING SAID SOUTH LINE OF SECTION 21) - 2525.32 FEET TO THE EASTERLY DEED LINE OF THE R. H. RASCO, JR. AND W. D. RASCO PROPERTY (DEED BOOK 246 - PAGE 236), SAID EASTERLY DEED LINE AS EVIDENCED BY A WIRE FENCE; THENCE NORTH 00 DEGREES 29 MINUTES 54 SECONDS WEST ALONG SAID EASTERLY DEED LINE - 260.68 FEET; THENCE SOUTH 50 DEGREES 36 MINUTES 14 SECONDS EAST (LEAVING SAID EASTERLY DEED LINE) - 2529.79 FEET TO THE EASTERLY DEED LINE OF SAID MITCHELL PROPERTY; THENCE SOUTH 00 DEGREES 15 MINUTES 50 SECONDS WEST ALONG SAID EASTERLY DEED LINE OF MITCHELL PROPERTY - 257.83 FEET TO THE POINT OF BEGINNING.

CONTAINING 505,511 SQUARE FEET OR 11.605 ACRES, MORE OR LESS.

THE ABOVE DESCRIBED SUBJECT EASEMENT IS VACANT LAND.

Exhibit "B"

